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Zhou Hei Ya International Holdings Company Limited
周黑鴨國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1458)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		Period-over-Period
	2025	2024	**Change**
	RMB'000	RMB'000	**%**
Revenue	**1,222,561**	1,259,511	(2.9)
Gross profit	**716,585**	697,657	2.7
Profit before tax	**146,141**	56,769	157.4
Profit for the period attributable to owners of the parent	**107,940**	32,913	228.0

OPERATIONAL HIGHLIGHTS

The table below sets forth certain key operational information of the Group's self-operated and franchised retail store network for the periods indicated.

	As of June 30, / For the six months ended June 30,	
	2025	2024
Total number of retail stores	**2,864**	3,456
Total sales volume (tons)	**14,383**	14,618
Average spending per purchase order (RMB)	**53.56**	55.57

The following table sets forth the revenue contribution in terms of the Group's main product categories and service for the periods indicated.

	For the six months ended June 30,			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Ducks and duck part products	**987,591**	**80.8**	994,551	79.0
Other products[(1)]	**222,056**	**18.2**	247,861	19.7
Franchise fees[(2)]	**12,914**	**1.0**	17,099	1.3
Total	**1,222,561**	**100.0**	1,259,511	100.0

(1) Other products mainly include braised red meat, braised vegetable products, other braised poultry and aquatic products.

(2) Include revenue generated from franchisees in connection with upfront franchise fees and brand royalty fees, and exclude revenue from sales of products to franchisees.

The table below sets forth the revenue contribution by the Group's sales channels for the periods indicated.

	For the six months ended June 30,			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Self-operated retail stores[(1)]	**712,346**	**58.3**	696,877	55.3
Online channels	**170,400**	**13.9**	177,830	14.1
Franchisees[(2)]	**266,668**	**21.8**	327,456	26.0
Others[(3)]	**73,147**	**6.0**	57,348	4.6
Total	**1,222,561**	**100.0**	1,259,511	100.0

(1) Include revenue derived from online ordering and delivery services, products sold are typically picked up at the designated retail stores. Revenue derived from online ordering and delivery services accounted for approximately 23.0% and 21.0% of the revenue from self-operated retail stores for the six months ended June 30, 2025 and 2024, respectively.

(2) Primarily include revenue generated from franchisees in connection with sales of products, upfront franchise fees and brand royalty fees.

(3) Primarily include revenue generated from distributors.

The board (the "**Board**") of directors (the "**Directors**") of Zhou Hei Ya International Holdings Company Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results (the "**Interim Results**") of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**"). The Interim Results have been prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the Interim Results have also been reviewed by the audit committee of the Company (the "**Audit Committee**").

BUSINESS OVERVIEW AND OUTLOOK

Overall Business and Financial Performance

As of June 30, 2025, the Group had a total of 2,864 retail stores, including 1,573 self-operated retail stores and 1,291 franchised retail stores, covering 292 cities in 28 provinces, autonomous regions and municipalities in China.

The table below sets forth a breakdown of the number of self-operated and franchised retail stores and the revenue contribution by geographic location for the periods indicated:

Number of Retail Stores

	As of June 30,			
	2025		2024	
	#	%	#	%
Central China(1)	**1,293**	**45.1**	1,566	45.3
Southern China(2)	**503**	**17.6**	572	16.6
Eastern China(3)	**383**	**13.4**	524	15.2
Northern China(4)	**393**	**13.7**	443	12.8
Western China(5)	**292**	**10.2**	351	10.1
Total	**2,864**	**100.0**	3,456	100.0

Revenue

	For the six months ended June 30,			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Central China[1]	**538,003**	**55.0**	547,675	53.5
Southern China[2]	**168,119**	**17.2**	173,117	16.9
Eastern China[3]	**104,427**	**10.7**	117,507	11.5
Northern China[4]	**97,329**	**9.9**	104,577	10.2
Western China[5]	**71,136**	**7.2**	81,457	7.9
Total	**979,014**	**100.0**	1,024,333	100.0

(1) Comprises Hubei Province, Hunan Province, Henan Province, Jiangxi Province, Anhui Province and Shanxi Province.

(2) Comprises Guangdong Province, Fujian Province and Hainan Province.

(3) Comprises Shanghai, Jiangsu Province and Zhejiang Province.

(4) Comprises Beijing, Tianjin, Inner Mongolia Autonomous Region, Liaoning Province, Hebei Province, Shandong Province, Ningxia Hui Autonomous Region, Gansu Province and Jilin Province.

(5) Comprises Chongqing, Sichuan Province, Shaanxi Province, Guizhou Province, Yunnan Province, Qinghai Province and Guangxi Zhuang Autonomous Region.

Business Review and Outlook

The first half of 2025 witnessed a moderate recovery in domestic consumption. While the braised food industry maintains solid demand fundamentals, it concurrently faces challenges including diversion by emerging channels, intensifying competition, product homogenization, and insufficient consumer value perception. Consumer preferences have become more rational, with greater emphasis placed on the experiential value of products and services. Against this backdrop, the Group prioritized enhancing operational quality and restoring performance growth as its core objectives, driving the refined implementation of reform initiatives. During the first half of the year, the Group made positive progress across various areas including store operational efficiency increase, channel expansion, brand building, and supply chain optimization. These advancements signify the initial effectiveness of the strategic transformation and lay a solid foundation for achieving the full-year strategic targets.

In terms of store strategy, we focused on enhancing store operational quality as the core objective, comprehensively upgrading service quality and customer experience. In terms of increasing store efficiency, we focused on deepening initiative implementation around the following four dimensions during the first half of the year: 1. Systematic empowerment of frontline staff through the "Battle Seasons" special program, which strengthened standardized execution, supervision and assessment, and skills training to elevate service levels and satisfaction. We encouraged staff live-streaming to activate human resources, reinforce brand awareness, and effectively convert online viewers into offline foot traffic. 2. Enhanced membership and private domain operations management. We established an in-depth "Staff – Private Domain" linkage mechanism, expanded the private domain user base, refined membership system operations, and converted online traffic into immediate consumption through precision marketing. 3. Breaking through traditional consumption radius limits, achieving integrated online-to-offline traffic diversion. Deepening delivery partnerships, leveraging hot item strategies and platform resources, the gross sales of online ordering and delivery reached approximately RMB380 million in the first half of the year; leveraging local lifestyle platforms, we seed interest and divert traffic, with staff facilitating conversion, establishing a closed-loop of "online exposure – offline store visit". The gross sales in public domain (Douyin + Meituan) exceeded RMB80 million in the first half of the year. 4. Extending late-night hours, exploring round-the-clock service, and effectively stretching operating time to unlock incremental sales. Furthermore, regarding cost efficiency optimization, we strictly controlled over key metrics such as rent-to-sales ratio and labor productivity. Through precise site selection models, flexible leasing solutions, and dynamic shifting mechanisms, we achieved cost reduction and efficiency gains. As of June 30, 2025, the total number of the Group's retail stores reached 2,864.

Amid the intense market competition and diverse consumption demands, we actively adapt to changes by focusing on distribution channel expansion, entering overseas markets, and exploring the compound seasonings segment to forge new growth trajectory. In terms of distribution channel expansion, we have established a dedicated team and optimized channel strategy in the first half of the year, and successfully partnered with Sam's Club to co-develop customized Zhou Hei Ya classic braised seasoning packs and flavored duck sauces. We also strategically collaborated with Yonghui and Pang Dong Lai, effectively broadened consumption scenarios and enhanced terminal visibility by offering vacuum-packed and bulk products alongside dedicated counter displays and joint marketing. In the second half of the year, we will concentrate on breaking through key strategic channels, continuous refining products, improving systems, and developing replicable channel operation models.

In terms of overseas market expansion, we have successfully entered markets in Malaysia and Singapore in the first half of the year. In the future, we will further expand into Southeast Asia and other countries and regions, advancing our vision to "Bring Delicious Food to the World". In new trajectory, we established a joint venture with Sichuan Shentang Industrial Group. Leveraging the "Zhou Hei Ya flavor," we jointly developed the "Ga Ga Xiang" series of compound seasonings and instant food products to comprehensively enhance our brand penetration.

During the first half of 2025, we pursued a dual-focused strategy of foundation consolidation and innovation exploration to drive synergistic upgrades across our brand and products. In terms of products, we strictly maintained the "Zhou Hei Ya Standards" for premium quality, enhanced classic products through continuous optimization and iteration, strengthened product differentiation with unique flavor profiles, and expanded product categories with new offerings such as sauced pressed duck and marinated squid. Meanwhile, we gained insight into new consumption trends, developed new traffic-driving products including sauced pressed duck wing roots, and regionally exclusive Sichuan spicy duck necks. Additionally, we incubated the "Ya Ya Ye" brand and launched freshly extracted pink coconut water, creating a one-stop experience of "marinated delights + beverages" to enhance overall foot traffic. Moving forward, we will also actively invest in the upgrading and iteration of vacuum-packed products, build a diversified product matrix to adapt to multi-channel layout, establish our brand differentiation and competitive advantages, and open up new revenue streams.

In terms of branding, through a series of precise marketing initiatives such as the Cherry Blossom Outing Season, Graduation Season, student-exclusive benefits, and high-engagement community programs, we successfully deepened our connection with Gen Z consumers. These initiatives significantly enhanced brand penetration and resonance among younger demographics while driving the rejuvenation of our membership structure. Focusing on our store-based membership operation system, we implemented three core strategies: enhancing omni-channel traffic acquisition efficiency, activating repurchases through tiered management, and increasing the proportion of member customers. By integrating big data and digital intelligence tools, we have upgraded the mini-program operations, expanded the membership pool, and continuously improved customer retention and repurchase rates. As of June 30, 2025, the number of newly registered members has reached 2.45 million, and the proportion of sales contributed by members has exceeded 60%.

On the supply chain front, we pursued supply chain refinement centered on three core strategies: cost efficiency, agile responsiveness, and quality enhancement, driving steady improvement in gross margin to 58.6%. To enhance cost efficiency, we conducted in-depth market analysis and supplier structure optimization to secure cost advantages through strategic procurement timing, and implemented end-to-end automation upgrades, effectively reducing the average cost per ton. In terms of agile responsiveness, we enabled rapid new product launches and channel expansion through cross-functional collaboration. In terms of quality control, we established an omni-channel consumer feedback improvement mechanism and strengthened quality assurance systems with traceability and standardized management, significantly boosting product quality satisfaction. Moving forward, we will continue to optimize end-to-end monitoring, further enhance product quality and the professional capabilities of key positions in the team, continuously improve the efficiency of the entire supply chain, solidify competitive advantages and secure highly effective operations.

In terms of organizational capability, we have driven significant progress across three core dimensions through systematic organizational capacity building: activating organizational vitality, optimizing organizational capabilities, and boosting organizational efficiency, cogently supporting strategy execution and business breakthroughs. In activating organizational vitality, we completed the reform of the company-wide agile performance system, ensuring 100% alignment of performance indicators with strategic objectives. We innovatively created the "Battle Seasons" dynamic empowerment mechanism, which uses quarterly competitions, after-action reviews, real-time incentives, and targeted empowerment to extract benchmark experiences for training and cultivation, dramatically amplifying the effectiveness of front-line teams. In terms of optimizing organizational capabilities, we restructured the core management team to strengthen strategic alignment and decision-making effectiveness; took a forward-looking stance on talent reserves by bringing in high-potential experts across multiple disciplines; and rapidly established teams and structures for new businesses such as channels and overseas expansion, ensuring efficient incubation and operation of new tracks. In terms of improving organizational efficiency, we optimized regional layouts to improve market responsiveness and resource concentration; implemented measures such as functional integration, process optimization, and flexible staffing to significantly improve workforce productivity; and standardized processes across the three shared centers for human resources, finance and information, laying a solid foundation for efficient operations to support the Company's growth.

In the second half of 2025, with the policy-driven moderate recovery of the consumer industry and the acceleration of channel transformation, the dominant trend will emphasize balancing value and quality. In this context, we will strengthen refined operations and improve store performance to solidify our store-based foundation; accelerate product innovation and distribution channel expansion while actively advancing overseas expansion to build new business growth curves; and speed up brand rejuvenation to attract new customer groups. Furthermore, we will continuously improve management efficiency, reduce costs and raise efficiency to strengthen profitability, break through in a complex competitive environment and achieve long-term and high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the Group's unaudited consolidated statements of profits or loss and other comprehensive income in absolute amounts and as percentage of the Group's total revenue for the periods indicated, together with the change of the six months ended June 30, 2025 over the six months ended June 30, 2024 (expressed in percentages).

	For the six months ended June 30,				Period-over-Period Change
	2025		2024		
	RMB'000	**%**	RMB'000	%	%
Revenue	**1,222,561**	**100.0**	1,259,511	100.0	(2.9)
Cost of sales	**(505,976)**	**(41.4)**	(561,854)	(44.6)	(9.9)
Gross profit	**716,585**	**58.6**	697,657	55.4	2.7
Other income and gains, net	**26,505**	**2.2**	23,595	1.9	12.3
Finance costs	**(5,264)**	**(0.4)**	(5,966)	(0.5)	(11.8)
Selling and distribution expenses	**(471,771)**	**(38.6)**	(504,977)	(40.1)	(6.6)
Administrative expenses	**(115,928)**	**(9.5)**	(119,872)	(9.5)	(3.3)
Share of profits and losses of associates	**(3,986)**	**(0.3)**	(33,668)	(2.7)	(88.2)
Profit before tax	**146,141**	**12.0**	56,769	4.5	157.4
Income tax expense	**(38,201)**	**(3.1)**	(23,856)	(1.9)	60.1
Profit for the period	**107,940**	**8.8**	32,913	2.6	228.0
Attributable to:					
Owners of the parent	**107,940**	**8.8**	32,913	2.6	228.0
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted earnings per share (RMB)	**0.05**		0.01		400.0
Net profit margin		**8.8**		2.6	
OTHER COMPREHENSIVE INCOME					
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	**(9,556)**	**(0.8)**	1,122	0.1	(951.7)
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(9,556)**	**(0.8)**	1,122	0.1	(951.7)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Translation from functional currency to presentation currency	**5,960**	**0.5**	3,625	0.3	64.4

	For the six months ended June 30,				Period-over-Period Change
	2025		2024		
	RMB'000	**%**	RMB'000	%	%
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**5,960**	**0.5**	3,625	0.3	64.4
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(3,596)**	**(0.3)**	4,747	0.4	(175.8)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**104,344**	**8.5**	37,660	3.0	177.1
Attributable to:					
Owners of the parent	**104,344**	**8.5**	37,660	3.0	177.1

Revenue

The Group's total revenue decreased by approximately 2.9% from RMB1,259.5 million for the six months ended June 30, 2024 to RMB1,222.6 million for the six months ended June 30, 2025, primarily due to the Group's optimization initiative of closing underperforming retail stores, resulting in a year-on-year decrease in total revenue. Nevertheless, by improving the operational efficiency of individual retail stores, the Group drove effective growth in the average sales per retail store, ultimately mitigating the overall revenue decline.

Cost of Sales

Cost of sales decreased by approximately 9.9% from RMB561.9 million for the six months ended June 30, 2024 to RMB506.0 million for the six months ended June 30, 2025, primarily due to the decline in raw material prices and product structure optimization, coupled with improvements in supply chain efficiency, which led to the decrease in raw material and related costs.

Gross Profit and Gross Profit Margin

Due to the fact that the Group improved retail store operating quality and supply chain efficiency, which led to the year-on-year increase in gross profit and gross profit margin, the Group's gross profit increased by 2.7% from RMB697.7 million for the six months ended June 30, 2024 to RMB716.6 million for the six months ended June 30, 2025. The Group's gross profit margin increased from 55.4% for the six months ended June 30, 2024 to 58.6% for the six months ended June 30, 2025.

Other Income and Gains, Net

The Group's other income and gains, net increased by 12.3% from RMB23.6 million for the six months ended June 30, 2024 to RMB26.5 million for the six months ended June 30, 2025, which was primarily due to the increase in exchange gains and losses.

Finance Costs

The finance costs of the Group decreased by 11.8% from RMB6.0 million for the six months ended June 30, 2024 to RMB5.3 million for the six months ended June 30, 2025, mainly attributable to the fact that the Group proactively optimized its retail store structure and closed underperforming retail stores (particularly those in long-term leases) in a reasonable manner, significantly reducing interest expenses related to lease liabilities.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by 6.6% from RMB505.0 million for the six months ended June 30, 2024 to RMB471.8 million for the six months ended June 30, 2025. The decrease was mainly due to the close down of underperforming retail stores during the Reporting Period in a reasonable manner, resulting in a reduction in store-related rent and labor costs.

Administrative Expenses

The Group's administrative expenses decreased by approximately 3.3% from RMB119.9 million for the six months ended June 30, 2024 to RMB115.9 million for the six months ended June 30, 2025. The decrease was mainly due to the fact that the Group optimized its organizational structure, improved per capita efficiency, and reduced administrative expenses.

Shares of Profits and Losses of Associates

For the six months ended June 30, 2025, the Group incurred share of losses of associates of RMB4.0 million, mainly in connection with its 24.99% equity interest in Shenzhen Tiantu Xingnan Investment Partnership (Limited Partnership) and its 31.64% equity interest in Hainan Tiantu Xingzhou Venture Capital Partnership (Limited Partnership), arising from changes in the fair value of the underlying companies in which these associates invested.

Profit Before Tax

As a result of the foregoing, the Group recorded profit before tax of RMB146.1 million for the six months ended June 30, 2025, representing an increase of 157.4% from RMB56.8 million for the six months ended June 30, 2024.

Income Tax Expense

The Group incurred income tax expense of RMB38.2 million for the six months ended June 30, 2025, which increased by 60.1% from RMB23.9 million for the six months ended June 30, 2024, as a result of a significant increase in profit before tax compared to the same period last year, and the Group's income tax expense increased.

Profit for the Period

As a result of the foregoing, the Group recorded net profit of RMB107.9 million for the six months ended June 30, 2025, representing an increase of 228.0% from RMB32.9 million for the six months ended June 30, 2024. The Group's net profit margin increased from 2.6% for the six months ended June 30, 2024 to 8.8% for the six months ended June 30, 2025.

Exchange Differences on Translation of Foreign Operations

Exchange differences on translation of foreign operations was a loss of RMB3.6 million for the six months ended June 30, 2025, as compared to a gain of RMB4.7 million for the six months ended June 30, 2024. The Group's exchange differences on translation of foreign operations represented the foreign exchange translation differences as certain overseas subsidiaries using Hong Kong dollars ("**HK$**") as the reporting currency.

Total Comprehensive Income for the Period

As a result of the foregoing, the Group's total comprehensive income for the six months ended June 30, 2025 amounted to RMB104.3 million, representing an increase of 177.1% from RMB37.7 million for the six months ended June 30, 2024.

Liquidity and Capital Resources

During the six months ended June 30, 2025, the Group financed its operations through cash generated from its business operations and the net proceeds received from its Initial Public Offering and the exercise of the over-allotment options on November 30, 2016 (the "**IPO**"). The Group intends to finance its expansion and business operation by internal resources and through organic and sustainable growth, as well as to use the net proceeds received from the IPO.

During the six months ended June 30, 2025, the Company repurchased a total of 91,127,500 shares of the Company (the "**Shares**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") at an aggregate consideration of HK$189,733,668.46. Please also see "— Other Information — Purchase, Sale and Redemption of Listed Securities" in this announcement.

Capital Structure

As of June 30, 2025, the Group had net assets of RMB3,466.8 million, as compared to RMB3,626.5 million as of December 31, 2024, comprising current assets of approximately RMB1,577.9 million, non-current assets of approximately RMB2,750.4 million, current liabilities of approximately RMB690.8 million and non-current liabilities of approximately RMB170.7 million.

As of December 31, 2024 and June 30, 2025, the cash and cash equivalents of the Group were mainly denominated in Renminbi ("**RMB**") and HK$, with some denominated in U.S. dollars ("**USD**") and a small amount in Euro.

Cash and Bank Balances

As compared with RMB1,254.2 million as of December 31, 2024, the Group had cash and bank balances of approximately RMB877.5 million as of June 30, 2025, which consisted of unrestricted cash and bank balances of approximately RMB377.5 million and term deposits of approximately RMB500.0 million.

Financial Risks

The Group is not subject to significant credit risk and liquidity risk. The Group had cash at banks denominated in foreign currencies, which exposed the Group to foreign exchange risk. The Group does not use any derivative contracts to hedge against its exposure to foreign exchange risk. The management manages its currency risk by closely monitoring the movement of the foreign currency rates and will take prudent measures to minimize the currency translation risk.

Use of Proceeds from the IPO

Net proceeds from the IPO (including the exercise of the over-allotment options on November 30, 2016), after deducting the underwriting commission and other estimated expenses in connection with the Global Offering which the Company received amounted to approximately HK$2,792.3 million, comprising HK$2,428.1 million raised from the Global Offering and HK$364.2 million from the issuance of shares pursuant to the exercise of the over-allotment options, respectively. The remaining balance of the proceeds from the IPO as of December 31, 2024 and June 30, 2025 were RMB181.4 million and RMB176.5 million, respectively.

As announced in the 2019 annual results announcement of the Company dated March 31, 2020 (the "**2019 Annual Results Announcement**"), the Board has resolved to reallocate the unutilized net proceeds and increase the portion to be used for the construction and improvement of processing facilities, which also includes the enhancement of the related logistics and storage capacities (the "**Reallocation**"). There has been no change in the intended use of net proceeds since the Reallocation. In particular, the amounts of net proceeds used in 2024 and the six months ended June 30, 2025 were utilized in accordance with the intended use as previously disclosed in the 2019 Annual Results Announcement, and the remaining balance of net proceeds as of June 30, 2025 are and are expected to continue to be used in accordance with the intended use as previously disclosed in the 2019 Annual Results Announcement.

The table below sets forth the use of proceeds by the Group as of June 30, 2025:

	Budget	Amount that had been utilized as of December 31, 2024	Amount that was used for the six months ended June 30, 2025	Remaining balance as of June 30, 2025	Expected timeline of utilization[(1)]
	RMB million	RMB million	RMB million	RMB million	
Construction and improvement of processing facilities	1,258.3	1,258.3	–	–	Used up
Development of retail network	167.8	167.8	–	–	Used up
Branding image campaigns, including the e-commerce marketing campaigns	394.3	394.3	–	–	Used up
Improvement of research and development	45.2	45.2	–	–	Used up
Acquisition and strategic alliances	145.2	17.9	–	127.3	Expected to be used up within three years[(2)]
Upgrades of information technology systems, including the enterprise resource planning system	96.2	96.2	–	–	Used up
General replenishment of working capital	345.2	291.1	4.9	49.2	Expected to be used up within three years[(2)]
Total	**2,452.2**	**2,270.8**	**4.9**	**176.5**	

Notes:

(1) Based on the Group's current estimates of its business plans and market conditions, and subject to change and adjustment.

(2) The Group expects that the remaining balance will be used in accordance with the intended use in three years as indicated. However, such expected timeline is subject to change and adjustment depending on the business development of the Group and the availability of suitable acquisition targets in the market.

As previously disclosed in the 2024 annual results announcement of the Company dated March 27, 2025, the remaining balance of net proceeds for general replenishment of working capital of RMB54.1 million and for acquisition and strategic alliances of RMB127.3 million as of December 31, 2024 was expected to be used up in two years and a half. After taking into account (i) the fact that the primary source of working capital of the Group is cash generated from its business operations, (ii) the strategic focus of the Group on its main business and the availability of the suitable acquisition targets, and (iii) the capital arrangements of the Group in the following years, the Company has decided to delay the expected timeline for utilizing the remaining balance of net proceeds for general replenishment of working capital of RMB49.2 million and for acquisition and strategic alliances of RMB127.3 million as of June 30, 2025 to be within three years after the date of this announcement.

As of June 30, 2025, net proceeds not utilized had been deposited into short-term deposits and money market instruments, including structured deposits.

Indebtedness

As of June 30, 2025, the Group had an aggregate bank borrowings of RMB84.4 million, all of which will be due within one year. Such outstanding bank borrowings bear fixed interest rates and are denominated in Renminbi.

The Group uses the gearing ratio (gearing ratio = total liabilities/total assets) to monitor its capital structure. The gearing ratio of the Group decreased from 21.0% as of December 31, 2024 to 19.9% as of June 30, 2025, mainly due to a decrease in inventory reserves and a decrease in accounts payable.

Pledged Assets

As of June 30, 2025 and December 31, 2024, the Group did not pledge any of its assets.

Cash Flows

For the six months ended June 30, 2025, net cash generated from operating activities was approximately RMB210.8 million, compared with net cash generated from operating activities of RMB193.8 million for the six months ended June 30, 2024, which is adjusted for certain non-cash items and profit before tax from non-operating activities such as depreciation of fixed assets, depreciation and amortization of right-of-use assets and land use rights, interest income from bank deposits and interest income from structured deposits, mainly due to our profit before tax of RMB146.1 million, as adjusted for items including (i) the income tax paid in the amount of RMB34.6 million; (ii) a decrease of RMB6.4 million in inventory; (iii) a decrease of RMB9.2 million in prepayments, other receivables and other assets; (iv) a decrease of RMB29.1 million in other payables and accruals; (v) a decrease of RMB24.5 million in trade receivables; and (vi) an increase of RMB28.8 million in trade payables.

For the six months ended June 30, 2025, net cash used in investing activities was approximately RMB157.6 million, compared with the net cash generated from investing activities of approximately RMB374.4 million for the six months ended June 30, 2024, which was mainly attributable to (i) redemption of structured deposits and other financial assets measured at fair value through profit or loss ("**FVTPL**") in the aggregate amount of RMB897.4 million; (ii) interest from bank deposits, structured deposits and other financial assets measured at FVTPL of RMB3.2 million; and (iii) an increase of RMB149.3 million in term deposits of maturity over three months, partially offset by (i) purchases of structured deposits and other financial assets measured at FVTPL in the aggregate amount of RMB901.4 million; and (ii) purchase of items of property, plant and equipment and intangible assets in the aggregate amount of RMB25.9 million.

For the six months ended June 30, 2025, net cash used in financing activities was approximately RMB419.0 million, compared with RMB249.2 million for the six months ended June 30, 2024, which was mainly attributable to (i) dividends paid in the amount of RMB94.4 million in 2025; (ii) lease rental payments of RMB83.7 million; (iii) proceeds from interest-bearing bank borrowings of RMB85.3 million; (iv) repayment of proceeds from interest-bearing bank borrowings of RMB150.9 million and (v) repurchases of the Company's shares of RMB175.0 million.

Structured Deposits and Financial Assets Measured at FVTPL

The Group from time to time invests in asset management products, primarily structured deposits and other financial assets measured at FVTPL, in order to better facilitate its cash management. Structured deposits were principal-protected products which typically had a fixed short term and may be redeemed upon at their respective expiry dates. The Group's other financial assets measured at FVTPL were mainly investments in equity funds, which generally are not principal-protected nor return-guaranteed. Such investments also typically have a fixed short term and are relatively low risk in nature. As of June 30, 2025, the Group had a balance of structured deposits and other financial assets measured at FVTPL in the amount of approximately RMB212.3 million. Up to the date of this announcement, approximately RMB20.0 million out of the RMB212.3 million had been settled and redeemed upon their maturity with the remaining not yet fallen due. The underlying investments of the structured deposits were primarily short-term sovereign bonds, financial bonds and central bank bills, and other investment products issued by commercial banks in the inter-bank market in China, which were very liquid with a relatively short term of maturity, and which were considered akin to placing deposits with banks whilst enabling the Group to earn a relatively higher rate of return. For the six months ended June 30, 2025, interest income from structured deposits and other financial assets measured at FVTPL amounted to RMB3.2 million, as compared to approximately RMB9.4 million for the six months ended June 30, 2024.

The Group has implemented capital and investment policies to monitor and control the risks relating to its investment activities. The Group may only make investments in asset management products when it has surplus cash. The Group is only entitled to invest in low-risk products issued by qualified commercial banks or other financial institutions, and investments should be non-speculative in nature. The Group's capital and investment policies also specify the criteria for selecting investments to be considered and the detailed review procedures each proposed investment shall go through.

In view of an upside of earning a relatively higher return than current saving or fixed deposit rate, as well as the principal-protected nature and a relatively short term of maturity of the structured deposits, the Directors are of the view that the structured deposits pose little risk to the Group and the terms and conditions of each of the structured deposits are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Capital Expenditure

The Group's capital expenditures amounted to RMB25.9 million for the six months ended June 30, 2025, mainly in connection with retail store renovation, factory equipment renovation and upgrade, and information system construction. The Group financed its capital expenditures primarily with cash generated from business operations and the net proceeds from the IPO.

Contingent Liabilities and Guarantees

As of June 30, 2025, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against it.

Major Investment

The Group did not conduct any material investments, acquisitions or disposals for the six months ended June 30, 2025 and in the period subsequent to June 30, 2025 up to August 28, 2025, being the date of this announcement.

In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the prospectus of the Company dated November 1, 2016, the Group has no specific plan for major investment or acquisition for major assets or other business. However, the Group will continue to identify new opportunities for business development.

Restricted Share Unit Scheme

The Company adopted its restricted share unit scheme (the "**RSU Scheme**") on July 25, 2018. The purpose of the RSU Scheme is to incentivize Directors, senior management and employees of the Group for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests of the Company. The Board has the power to administer the RSU Scheme. The Board may, from time to time and at its sole discretion, select any eligible person, as defined in the RSU Scheme, to participate in the RSU Scheme and determine the number of Shares to be granted and the terms and conditions of the grant.

As of the date of this announcement, pursuant to the RSU Scheme, 261 selected persons had received the restricted share units (the "**RSUs**") representing 32,181,675 Shares of the Company. The underlying shares concerned represented 1.49% of the Company's issued shares.

Please refer to the Company's announcements dated July 25, 2018, July 31, 2018, October 24, 2018, July 5, 2021 and April 19, 2024 for a detailed summary of its RSU Scheme and the announcements dated April 20, 2020, February 1, 2021, March 25, 2021, March 31, 2022, April 3, 2023, March 28, 2024 and March 28, 2025, for the details in connection with the grants of the RSUs.

Turnover Ratios

Average inventory turnover days decreased from 88.4 days for the six months ended June 30, 2024 to 81.8 days for the six months ended June 30, 2025, primarily due to the Group's proactive optimization of low-quality retail stores, with the disposal of related inventory outpacing the decline in sales.

Average trade receivables turnover days increased from 9.0 days for the six months ended June 30, 2024 to 11.8 days for the six months ended June 30, 2025, primarily due to the relatively longer credit terms that the Group granted to e-commerce platforms cooperated with.

Average trade payables turnover days decreased from 30.2 days for the six months ended June 30, 2024 to 25.4 days for the six months ended June 30, 2025, primarily due to the decrease in turnover days resulting from the fact that the decrease in payables was greater than the decrease in cost of sales.

Employee and Labor Cost

As of June 30, 2025, the Group had a total of 3,756 employees, among which approximately 57.1% were retail store operations and sales staff and approximately 29.5% were manufacturing staff at its processing facilities.

The Group has developed a performance evaluation system to assess the performance of its employees annually, which forms the basis for determining the salary levels, bonuses and promotions an employee may receive. Sales and marketing personnel may also receive bonuses based on the sales targets they accomplish, by taking into account the overall sales performance of the stores in the same regional market in the relevant period.

For the six months ended June 30, 2025, the Group incurred total labor costs of RMB233.1 million, representing approximately 19.1% of total revenue of the Group over the same period.

Top Suppliers and Top Customers

For the six months ended June 30, 2025, purchases from the Group's largest duck supplier in terms of RMB amount accounted for approximately 13.4% of total purchase cost and the aggregate purchases from its top five duck suppliers in terms of RMB amount in aggregate accounted for approximately 27.3% of total purchase cost.

For the six months ended June 30, 2025, due to the nature of the Group's business, revenue derived from its top five customers accounted for less than 30% of total revenue.

Reserves

As of June 30, 2025, the Group's reserves available for distribution to shareholders of the Company amounted to approximately RMB784.9 million.

Subsequent Events

Save as disclosed above, subsequent to June 30, 2025 and up to August 28, 2025 (being the date of this announcement), no material events were undertaken by the Group.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025	**2024**
		RMB'000 (unaudited)	**RMB'000 (unaudited)**
REVENUE	4	**1,222,561**	1,259,511
Cost of sales		**(505,976)**	(561,854)
Gross profit		**716,585**	697,657
Other income and gains, net	4	**26,505**	23,595
Finance costs		**(5,264)**	(5,966)
Selling and distribution expenses		**(471,771)**	(504,977)
Administrative expenses		**(115,928)**	(119,872)
Share of profits and losses of associates		**(3,986)**	(33,668)
PROFIT BEFORE TAX	5	**146,141**	56,769
Income tax expense	6	**(38,201)**	(23,856)
PROFIT FOR THE PERIOD		**107,940**	32,913
Attributable to:			
Owners of the parent		**107,940**	32,913
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	8	**0.05**	0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(9,556)**	1,122
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(9,556)**	1,122
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Translation from functional currency to presentation currency	**5,960**	3,625
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**5,960**	3,625
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(3,596)**	4,747
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**104,344**	37,660
Attributable to:		
Owners of the parent	**104,344**	37,660

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

	Notes	30 June 2025	31 December 2024
		RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,271,853**	1,318,571
Investment property		**10,083**	10,247
Right-of-use assets		**295,315**	320,075
Investment in associates		**612,237**	627,848
Prepayments		**345,078**	189,913
Rental deposits		**83,449**	87,205
Other intangible assets		**11,992**	13,207
Other financial assets at fair value through profit or loss, non-current		**–**	–
Equity investments designated at fair value through other comprehensive income		**2,500**	2,500
Deferred tax assets		**117,904**	125,524
Total non-current assets		**2,750,411**	2,695,090
CURRENT ASSETS			
Inventories		**233,283**	226,853
Trade receivables	9	**91,973**	67,925
Prepayments, other receivables and other assets		**162,825**	130,001
Structured deposits		**120,208**	100,734
Other financial assets at fair value through profit or loss, current		**92,059**	113,032
Cash and bank balances		**877,517**	1,254,157
Total current assets		**1,577,865**	1,892,702
CURRENT LIABILITIES			
Interest-bearing bank borrowings, current		**84,395**	150,000
Trade payables	10	**85,849**	57,060
Other payables and accruals		**355,401**	391,327
Government grants, current		**3,335**	2,283
Lease liabilities, current		**132,067**	132,427
Income tax payable		**29,708**	32,656
Total current liabilities		**690,755**	765,753
NET CURRENT ASSETS		**887,110**	1,126,949
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,637,521**	3,822,039

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2025

	Notes	30 June 2025	31 December 2024
		RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT LIABILITIES			
Other payables and accruals, non-current		**2,349**	5,480
Deferred tax liabilities		**62,335**	63,377
Government grants, non-current		**48,585**	44,908
Lease liabilities, non-current		**57,423**	81,771
Total non-current liabilities		**170,692**	195,536
Net assets		**3,466,829**	3,626,503
EQUITY			
Equity attributable to owners of the parent			
Share capital	11	**14**	15
Treasury shares		**(455,066)**	(458,592)
Reserves		**3,921,881**	4,085,080
Total equity		**3,466,829**	3,626,503

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands on 13 May 2015. The registered and correspondence office of the Company is an office of Intertrust Corporate Services (Cayman) Limited, located at One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 11 November 2016 (the "**Listing**").

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the business of casual braised duck related food production, marketing and retailing ("**Zhou Hei Ya Business**") in the mainland of the People's Republic of China (the "**PRC**").

In the opinion of the directors of the Company (the "**Directors**"), the ultimate controlling shareholders of the Company are Mr. Zhou Fuyu and Ms. Tang Jianfang (together known as the "**Controlling Shareholders**").

In the opinion of the Directors, the ultimate holding company of the Company is Healthy Origin Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKFRS 21	*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group's principal business is the production, marketing and retailing of casual braised duck-related food. For management purposes, the Group operates in one business unit based on its products, and has one reportable segment which is the production, marketing and retailing of casual braised duck-related food.

Information about geographical area

Since all of the Group's revenue was generated from the production, marketing and retailing of casual braised duck-related food in Mainland China and all of the Group's non-current assets were located in Mainland China, no geographical information in accordance with HKFRS 8 – Operating Segments is presented.

Information about major customers

Since none of the Group's sales to a single customer accounted for 10% or more of the Group's total revenue, no information about major customers in accordance with HKFRS 8 – Operating Segments is presented.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue from contracts with customers	**1,222,561**	1,259,511

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Types of goods or service		
Modified-Atmosphere-Packaged products	**1,027,536**	1,072,578
Vacuum-packaged products	**125,187**	135,702
Franchise fees of retail stores	**12,914**	17,099
Other products	**56,924**	34,132
Total revenue from contracts with customers	**1,222,561**	1,259,511

	For the six months ended 30 June	
	2025	**2024**
	RMB'000	**RMB'000**
	(unaudited)	**(unaudited)**
Timing of revenue recognition		
Goods transferred at a point in time	**1,209,647**	1,242,412
Service transferred over time	**12,914**	17,099
Total revenue from contracts with customers	**1,222,561**	1,259,511

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	For the six months ended 30 June	
	2025	**2024**
	RMB'000	**RMB'000**
	(unaudited)	**(unaudited)**
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**12,342**	28,226
Franchise fee	**9,968**	12,103
	22,310	40,329

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of casual braised food

The performance obligation is satisfied upon delivery of the goods and payment is generally settled once the goods are delivered, except for franchisees and distributors, where payment in advance is normally required.

Franchise fees of retail stores

The performance obligation is satisfied over time as services are rendered and advances are normally required before rendering the services. Generally, franchise fee contracts are for periods of more than one year, and the franchise fees are billed according to the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as follows:

	For the six months ended 30 June	
	2025	**2024**
	RMB'000 **(unaudited)**	**RMB'000** **(unaudited)**
Amounts expected to be recognised as revenue:		
Within one year	**21,941**	48,752
After one year	**2,349**	11,687
	24,290	60,439

An analysis of other income and gains, net is as follows:

	For the six months ended 30 June	
	2025	**2024**
	RMB'000 **(unaudited)**	**RMB'000** **(unaudited)**
Interest income from bank deposits	**15,697**	18,387
Interest income from structured deposits	**1,703**	9,070
Interest income from other financial assets at FVTPL	**1,536**	316
Government grants*	**6,798**	12,375
Fair value loss on structured deposits measured at FVTPL	**(526)**	(4,492)
Fair value loss on other financial assets at FVTPL	**(5,000)**	(10,000)
Loss on disposal of items of property, plant and equipment, net	**(285)**	(66)
Gain on disposal of items of right-of-use assets	**3,764**	910
Gain/(loss) on foreign exchange differences	**740**	(8,521)
Others	**2,078**	5,616
Total	**26,505**	23,595

* There were no unfulfilled conditions and other contingencies attaching to the government grants that had been recognised.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	For the six months ended 30 June 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Cost of inventories sold		**338,422**	383,587
Depreciation of property, plant and equipment		**58,686**	58,104
Depreciation of right-of-use assets		**87,327**	115,872
Amortisation of other intangible assets		**2,061**	3,521
Auditors' remuneration		**1,260**	1,200
Lease payments not included in the measurement of lease liabilities		**55,024**	55,287
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**187,949**	223,146
Equity-settled share-based payment expense, net		**1,920**	(1,872)
Pension scheme contributions*		**33,647**	35,946
Other welfare		**9,604**	14,370
		233,120	271,590
Advertising and promotion expenses		**25,379**	17,548
E-commerce and online ordering platform related service and delivery fees		**71,300**	66,570
Fuel cost		**7,040**	6,871
Utility expenses		**17,759**	18,596
Share of profits and losses of associates		**3,986**	33,668
Transportation expenses		**37,824**	23,780
Finance cost		**5,264**	5,966
Loss/(gain) on foreign exchange	4	**(740)**	8,521
Interest income from bank deposits	4	**(15,697)**	(18,387)
Interest income from structured deposits	4	**(1,703)**	(9,070)
Interest income from other financial assets at FVTPL	4	**(1,536)**	(316)
Fair value loss on structured deposits measured at FVTPL	4	**526**	4,492
Fair value loss on other financial assets measured at FVTPL	4	**5,000**	10,000
Fair value gain on derivative instruments – embedded derivative component of convertible bonds		**–**	–
Loss on disposal of items of property, plant and equipment	4	**285**	66
Gain from early redemption of convertible bonds		**–**	–
Impairment of trade receivables		**406**	(493)
Gain on disposal of items of right-of-use assets	4	**(3,764)**	(910)
Government grants	4	**(6,798)**	(12,375)

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

The major components of income tax expenses are as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Current – PRC		
Charge for the year	**32,986**	73,967
Overprovision in prior periods	**(1,362)**	(3,324)
	31,624	70,643
Deferred tax	**6,577**	(46,787)
Total tax charge for the period	**38,201**	23,856

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The provision for current income tax in the PRC is based on a statutory rate of 25% (2024: 25%) of the assessable profits of the subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (six months ended 30 June 2024: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2024: 16.5%). No Hong Kong profits tax on this subsidiary has been provided as there was no assessable profit arising in Hong Kong during the period.

7. INTERIM DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2025 (June 30, 2024: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,054,500,587 (six months ended 30 June 2024: 2,248,691,112) in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds (when applicable). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025	**2024**
	RMB'000 (unaudited)	**RMB'000 (unaudited)**
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**107,940**	32,913
Add: Interest on convertible bonds	**–**	–
Fair value gain on the derivative component of the convertible bonds	**–**	–
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**107,940**	32,913
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**2,054,500,587**	2,248,691,112
Effect of dilution – weighted average number of ordinary shares:		
Restricted share unit scheme	**6,127,542**	299,740
Convertible bonds	**–**	–
	2,060,628,129	2,248,990,852
Earnings per share:		
Basic (RMB)	**0.05**	0.01
Diluted (RMB)	**0.05**	0.01

9. TRADE RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000 (unaudited)	RMB'000 (audited)
Trade receivables	**109,260**	84,807
Less: Impairment provision	**(17,287)**	(16,882)
	91,973	67,925

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025	31 December 2024
	RMB'000 (unaudited)	RMB'000 (audited)
Within 3 months	**76,943**	41,419
3 to 12 months	**4,908**	26,443
Over 1 year	**10,122**	63
	91,973	67,925

10. TRADE PAYABLES

The ageing analysis of outstanding trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	RMB'000 (unaudited)	RMB'000 (audited)
Within 3 months	**83,464**	52,628
3 to 6 months	**1,078**	2,021
6 to 12 months	**4**	1,234
Over 12 months	**1,303**	1,177
	85,849	57,060

11. SHARE CAPITAL

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Authorised:		
50,000,000,000 shares of USD0.000001 each (31 December 2024: 50,000,000,000 shares of USD0.000001 each)	**306**	306
Issued and fully paid:		
2,159,709,500 shares of USD0.000001 each (31 December 2024: 2,267,985,500 shares of USD0.000001 each)	**14**	15

A summary of movements in the Company's share capital is as follows:

	Numbers of shares in issue	Share capital	Treasury shares RMB'000
At 31 December 2023 and 1 January 2024 (audited)	2,383,140,500	16	(350,181)
Repurchase of shares	–	–	(316,806)
Cancellation of shares	(115,155,000)	(1)	183,514
Exercise of share-based awards	–	–	24,881
At 31 December 2024 and 1 January 2025 (audited)	2,267,985,500	15	(458,592)
Repurchase of shares			(174,987)
Cancellation of shares	(108,276,000)	(1)	167,246
Exercise of share-based awards	–	–	11,267
At 30 June 2025 (unaudited)	2,159,709,500	14	(455,066)

12. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2025 and up to 28 August 2025 (being the date of this announcement), no material events were undertaken by the Group.

OTHER INFORMATION

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2025, the Company repurchased a total of 91,127,500 Shares (the "**Shares Repurchased**") on the Hong Kong Stock Exchange at an aggregate consideration of HK$189,733,668.46. No Shares Repurchased were held as treasury shares of the Company. Particulars of the Shares Repurchased are summarized as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share		Aggregate Consideration[1]
		Highest	Lowest	
		HK$	HK$	HK$
January 2025	20,157,500	1.72	1.49	32,350,298.29
February 2025	25,597,500	1.92	1.66	45,940,422.89
March 2025	1,903,000	1.82	1.73	3,353,903.05
April 2025	7,711,000	2.53	1.93	17,462,193.77
May 2025	15,965,500	2.69	2.47	41,277,584.28
June 2025	19,793,000	2.62	2.37	49,349,266.18
Total	91,127,500			189,733,668.46

(1): Including handling charges.

During the six months ended in June 30, 2025, a total of 49,686,500 Shares repurchase from September 9, 2024 to January 2, 2025 (except for Shares repurchased from November 25, 2024 to November 29, 2024, December 5, 2024, December 6, 2024, and December 20, 2024 to December 31, 2024) have been cancelled on January 27, 2025, and a total of 58,589,500 Shares repurchased from November 25, 2024 to November 29, 2024, December 5, 2024 to December 6, 2024, December 20, 2024 to December 31, 2024, January 3, 2025 to March 28, 2025 have been cancelled on April 9, 2025. As at June 30, 2025, the total number of Shares in issue was 2,159,709,500.

Save as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including sales of treasury shares) for the six months ended June 30, 2025. As at June 30, 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save for the deviation from code provision C.2.1 as set of in part 2 of the Corporate Governance Code (the "**Code**"), which is explained in the following paragraph, during the six months ended June 30, 2025, the Company has complied with the applicable code provisions in part 2 of the Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

Pursuant to code provision C.2.1 in part 2 of the Code, the responsibilities between the chairman and chief executive officer of a listed issuer should be separate and should not be performed by the same individual. Mr. Zhou Fuyu has served as both the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**") since June 12, 2024, and such practice deviates from the code provision C.2.1 in part 2 of the Code. The Company is currently undergoing an important period of strategic change, and the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the founder of the Group can effectively promote the implementation of the Group's key strategies, ensure consistent leadership to advance long-term strategies, and further optimize the operating efficiency of the Group and enhance the operating quality of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Company will continue to enhance its corporate governance practice which is appropriate to the conduct and growth of its business.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Code and maintaining a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code throughout the six months ended June 30, 2025.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Code. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors as members, namely Mr. CHEN Chen, Mr. CHAN Kam Ching, Paul and Mr. LU Weidong. Mr. CHEN Chen is the chairman of the Audit Committee, and is our independent non-executive Director possessing the appropriate professional qualifications.

The Audit Committee has reviewed and discussed the Interim Results for the six months ended June 30, 2025.

INTERIM DIVIDEND

The Board proposed not to declare any interim dividend for the six months ended June 30, 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and that of the Company (www.zhouheiya.cn). The interim report will be dispatched to the shareholders of the Company (if requested) and will be available on the website of the Hong Kong Stock Exchange and that of the Company in due course.

By order of the Board
Zhou Hei Ya International Holdings Company Limited
ZHOU Fuyu
Chairman, Chief Executive Officer

Hong Kong, August 28, 2025

As at the date of this announcement, the executive Directors are Mr. ZHOU Fuyu, Mr. LYU Hanbin and Ms. WANG Yali; and the independent non-executive Directors are Mr. CHAN Kam Ching, Paul, Mr. LU Weidong and Mr. CHEN Chen.